# DEPARTMENT OF COMMUNITY HEALTH

## REPORT 7:
## GEORGIA FAMILIES
## DENTAL APPLICATION ANALYSIS:
### MEDICAID CARE MANAGEMENT ORGANIZATION ACT COMPLIANCE MONITORING

**July 8, 2009**

Myers and Stauffer LC
Certified Public Accountants

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## REPORT GLOSSARY

The following listing of terms and references are used throughout our description of methodology and findings:

- **Care Management Organization (CMO)** – A private organization that has entered into a risk-based contractual arrangement with DCH to obtain and finance care for enrolled Medicaid or PeachCare for Kids™ members. CMOs receive a per capita or capitation claim payment from DCH for each enrolled member.

- **Department of Community Health (DCH or Department)** – the Department within the state of Georgia that oversees and administers the Medicaid and PeachCare for Kids™ programs.

- **Federal Student Loan Forgiveness program** – Under certain circumstances, the federal government will cancel all or part of an educational loan. This practice is called loan forgiveness. Practicing medicine in an underserved area is one circumstance that qualifies for this program.

- **Georgia Families (GF)** – The risk-based managed care delivery program for Medicaid and PeachCare for Kids™ in which the Department contracts with Care Management Organizations to manage the care of eligible members.

- **Health Professional Shortage Area (HPSA)** – An area designated by the United States Department of Health and Human Services' Health Resources and Services Administration (HRSA) as being underserved in primary medical care, dental or mental health providers. These areas can be geographic, demographic or institutional in nature. An area can be found using the following website: http://hpsafind.hrsa.gov/.

- **Medicaid Care Management Organizations Act (the Act)** – A bill passed by the Georgia General Assembly, signed into law by Governor Perdue, and effective July 1, 2008 that speaks to several administrative requirements for the administrators of the Medicaid Managed Care plan, Georgia Families, to comply. The Act includes dental provider network provisions, emergency room claims payment requirements, member eligibility verification requirements, and other requirements of which the CMOs must comply.

- **Participating Provider** – As used in this report, this term refers to providers that have signed a contract with CMOs to offer dental services to Georgia Families members.

- **PeachCare for Kids™ Program (PeachCare)** – The Georgia DCH's State Children's Health Insurance Program (SCHIP) funded by Title XXI of the Social Security Act, as amended.

- **Provider Directory** – A listing of health care service providers under contract with CMOs that is prepared by CMOs as a reference of providers that are available to offer services to members.

- **Provider Number (or Provider Billing Number)** – An alphanumeric code utilized by health care payors to identify providers for billing, payment, and reporting purposes.

## BACKGROUND

Myers and Stauffer LC was engaged by DCH to assist the Department in its GF assessment efforts by studying and reporting on specific aspects of the GF program, including certain issues presented by providers, selected claims paid or denied by CMOs, and selected GF policies and procedures. Initial phases of the engagement focused on hospital and physician provider subjects. The related reports, available online at http://dch.georgia.gov, assessed payment and denial trends of hospital and physician claims, the payment accuracy of hospital and physician claims, as well as certain CMO policies and procedures.

The scope of this report is to determine whether the CMOs have complied with provisions of the Medicaid Care Management Organizations Act (the Act), enacted by the 2008 General Assembly. One requirement of the Act relates to the processing of dental applications and ensuring an adequate dental network.

Specifically, O.C.G.A. 33-21A-8 reads as follows:

*a) Except as provided in subsection (b) of this Code section, no care management organization or agent of such care management organization shall deny any dentist from participating in the Medicaid and PeachCare for Kids dental program administered by such care management organization if:*

*(1) Such dentist has obtained a license to practice in this state and is an enrolled provider who has met all of the requirements of the Department of Community Health for participation in the Medicaid and PeachCare for Kids program; and*

*(2)(A) The licensed dentist will provide dental services to members pursuant to a state or federally funded educational loan forgiveness program that requires such services; provided, however, each care management organization shall be required to offer dentists wishing to participate through such loan forgiveness programs the same contract terms offered to other dentists in the service region who participate in the care management organization´s Medicaid and PeachCare for Kids dental programs;*

*(B) The geographic area in which the dentist intends to practice has been designated as having a dental professional shortage as determined by the Department of Community Health, which may be based on the designation of the Health Resources and Services Administration of the United States Department of Health and Human Services; or*

*(C) Such care management organization fails to establish to the satisfaction of the Department of Community Health that a sufficient number of general dentists and specialists have contracted with the care management organization to provide covered dental services to members in the geographic region.*

*(b) A care management organization may decline to contract with a dentist who meets the requirements of subsection (a) of this Code section if such dentist has had his or her license to practice dentistry sanctioned in any manner or fails to meet the credentialing criteria established by the care management organization. Any dentist denied on this basis shall be entitled to a hearing before an administrative law judge as set forth in subsection (e) of Code Section 49-4-153*.

DCH requested that Myers and Stauffer (M&S) attempt to assess the CMOs' compliance with the above provisions. This report outlines the steps we took to analyze compliance and the results of that analysis.

## METHODOLOGY

Myers and Stauffer requested copies of all dental provider applications received since July 1, 2008 (both approved and denied), all policies and procedures relating to provider network application and credentialing decisions, including from each CMO, the specific internal criteria used to make an acceptance or denial determination of a dental provider's application for network participation.

To confirm that we had an appropriate basis for applications, we requested that the Georgia Dental Society (GDS) and Georgia Dental Association (GDA) survey their members regarding applications for network participation in one or more of the CMOs administering dental benefits for the Georgia Families program. The objective of the survey was to identify dentists who submitted an application between July 1, 2008 and December 31, 2008, including the date of that application, the name of the CMO(s) to which they applied, the CMO's determination(s) (i.e., acceptance or denial), and the date of the determination(s).

Comparing the information provided, we analyzed whether the acceptance or denial determinations made by the CMOs were in accordance with the provisions of the Act. The following list contains the assumptions necessary for the analysis and the limitations related to the data analyzed.

**Assumptions and Notes:**

- AMERIGROUP (AMGP) and WellCare use a subcontractor, Doral Dental USA, LLC (Doral), to manage their members' dental benefits. Dental applications, as well as policies and procedures analyzed, were received from Doral.
- As of the date that this analysis was performed, Peach State Health Plan (PSHP) also used a subcontractor, Avesis Incorporated (Avesis), to manage their members' dental benefits. Dental applications, as well as policies and procedures analyzed, were received from Avesis. It should be noted that PSHP's contract with Avesis expired on May 31, 2009. Beginning with services on or after June 1, 2009, PSHP uses Doral as their service provider.
- The CMOs' subcontractors provided application information through February 18, 2009 and the dental associations' data is through December 31, 2008. Therefore, it is possible that dental providers may have indicated on the survey that they have not received a response to their application, while the CMO subcontractor indicated that a decision has been made and the provider notified. We attempted to control for this difference in dates by contacting providers that were on the lists from the CMOs that had a denied application between January 1, 2009 and February 18, 2009 to confirm that they submitted an application, to determine their participation eligibility status, and to confirm the determination made by the CMO.

- The results of this analysis are dependent on the quality of information Myers and Stauffer received. The dental provider surveys were not conducted by Myers and Stauffer nor were the provider responses verified. Many of the surveys received from the provider by GDS and GDA and submitted to us did not contain complete responses.
- Doral sent the same policies and procedures for both AMGP and WellCare, as well as applications. The approved and denied applications reviewed were not specific to either AMGP or WellCare. We noted that the denial letter sent to providers includes appeal rights for both AMGP and WellCare.

## FINDINGS

**Table 1: Total Reported Number of Applications Received by Dental vendor between July 1, 2008 and February 18, 2009**

| Applications | Doral[1] | Avesis | Total | Percent |
|---|---|---|---|---|
| **Denied** | 16 | 11 | 27 | 14.6% |
| **Approved** | 61 | 68 | 129 | 69.7% |
| **Determination Not Provided** | 0 | 29 | 29 | 15.7% |
| **Total # of Applications Received** | 77 | 108 | 185 | 100% |

[1] Doral numbers include both AMGP and WellCare.

**Table 2: Comparison of Applications Reported by CMOs and Applications Reported by Providers for the Period July 1, 2008 to December 31, 2008**

| CMO and Dental Plan | Applications | Percent |
|---|---|---|
| **Total # of all applications reported by GDS and GDA survey participants, including WellCare Doral, AMGP Doral and PSHP Avesis** | 101 | 100% |
| **Total # of applications reported by survey participants that were not provided by PSHP Avesis[1]** | 2 | 2% |
| **Total # of applications reported by survey participants that were not initially provided by WellCare Doral[2]** | 5 | 5% |
| **Total # of applications reported by survey participants that were not initially provided by AMGP Doral[3]** | 2 | 2% |

[1] Avesis indicated they had no application on file for 2 providers who stated on the survey they submitted applications.
[2] Doral listed 2 providers as "active"; however copies of those applications were not provided to M&S. The other 3 provider applications were received after follow up with CMO.
[3] Doral listed 2 providers as "active"; however copies of those applications were not provided to M&S.

As shown in the above tables, the application data received from the CMOs compared to the information received via the GDS and GDA surveys appears to indicate a discrepancy between the number of CMO reported applications and the number of applications reported through the surveys. These results were shared with each CMO. The CMOs were asked to either provide a status of the application (i.e., received, in process, not received) and/or provide documentation to substantiate the status. Avesis indicated they had not received any applications for the two providers reported in the survey. Doral indicated that two of the providers were "active", but Doral did not provide

applications or documentation for these two providers. Doral submitted the additional provider applications for three providers for which survey responses indicated that they had applied to Doral.

As noted above, the information provided by the CMOs/vendors and by the GDS/GDA surveys encompassed different time periods. The GDS/GDA surveys reported dental provider applications submitted and their outcomes between July 1, 2008 and December 31, 2008. The CMO dental vendor reports included a longer time period from July 1, 2008 through February 18, 2009. In order to test the CMO compliance with the provisions of the Act, we identified the dental providers who the CMOs reported as having submitted an application that was denied after January 1, 2009.

For each of the providers identified, M&S confirmed via the Secretary of State's website that the provider's license is active. We noted that Doral (AMGP and WellCare) did not report denying any dental providers on or after January 1, 2009, while Avesis (PSHP) denied four providers on or after January 1, 2009. We contacted each of the four Avesis-denied providers in an attempt to confirm the CMO's decisions to deny the applications were in compliance with the provisions of the Act. One of the four providers was unable to be reached by M&S after multiple attempts. For the three providers we were able to contact, M&S inquired as to whether the provider is in a Federal Student Loan Forgiveness program and/or if the provider is located in a health professional shortage area. None of the providers reported participating in an educational loan forgiveness program or being located in a designated health professional shortage area. Therefore, it appears that, for the providers we were able to contact, the denials on or after January 1, 2009 were compliant with the provisions of the Act.

## Analysis of Policies and Procedures

### *Doral*

- Doral provided a checklist document that is used as a tool in their acceptance/denial of provider applications process. The forms asks the following questions:

    1. Is provider in a Federal Student Loan Forgiveness program?
    2. Is provider in a health professional shortage area?
    3. Is provider in a noncompliant county?

- Doral includes language from the Act in their credentialing policy for Georgia, stating they will not add a provider to a county with adequate access unless the provider meets one or more of the following criteria of the Act:

    - is a licensed provider and approved Medicaid provider who takes part in an educational loan forgiveness program; or,

- is a licensed provider and approved Medicaid provider who practices in an area determined by DCH to be a dental professional shortage area.

- Doral policy states that they closely monitor the network to ensure adequate access to care. However, Doral did not provide details on how they monitor their network or ensure access to care. A network access report was attached to the denied applications submitted by Doral, however Doral provided no accompanying documentation describing how the access report is generated or how it might be used to determine network adequacy.

- In general, Doral's stated policies and procedures appear to take into account the criteria of the Act as part of the provider application review decision-making process. However, more information should be provided in the policies and procedures regarding network adequacy, how this network adequacy information is generated, and how the information is used to make provider network decisions.

***Avesis***

- Avesis states in their provider contracting policy that they adhere to the provisions of the Act. However, Avesis provided no detailed information demonstrating how the criteria are applied when reviewing provider applications, such as how they determine whether a provider is participating in a loan forgiveness program or whether a provider is practicing in a dental professional shortage area. Avesis' policy appears to contain a potential reference to the Act in that it states that their provider agreement is not exclusive, and does not require providers to participate or accept other CMO plans or products not related to providing care.

- With regard to network adequacy, the Avesis policy and procedures documentation describes the steps utilized to demonstrate that network adequacy is achieved and maintained. These steps include multiple attempts to contract with providers, maintaining an electronic provider directory, use of GeoAccess reports, and review of provider information, such as languages spoken and nationality.

- Avesis' policies and procedures describing how they make provider application decisions appears to be lacking specific criteria of the Act, but their policies and procedures do provide more information than Doral's policies and procedures, specifically as it relates to network adequacy decision tools.

## Analysis of Denied Applications

### *Doral*

According to records submitted by AMGP and WellCare, there were 77 applications for dental participation between July 1, 2008 and February 18, 2009. Of the 77 applications reported by these CMOs, 70 of 77 (90.9 percent) were confirmed by the GDS and GDA surveys[1]. Sixty-one (79.2 percent) of the 77 applications were approved for participation and 16 (20.8 percent) were denied. We analyzed the denied provider applications and summarized our findings below.

- Doral did not provide all the applications or documentation for denied applications. This documentation was requested and received for all but two of the missing applications on May 7, 2009. To-date, we have not received the two remaining applications.

- Eleven of the 14 (78.6 percent) denied provider applications we were able to review contained:

    - A completed checklist addressing criteria of the Act;
    - Screen shots of the Health Resources and Services Administration website (HRSA) to determine whether the county in which provider was requesting participation was a county with a dental care health professional shortage; and,
    - Network Access Analysis report.

- Twelve of the 14 (85.7 percent) denial letters we reviewed contained instructions on how to file an administrative appeal.

    - Doral submitted one provider denial letter with no supporting denial decision documentation. The denial letter was dated July 22, 2008; however, according to Doral, their records show that they received an application from the provider on September 9, 2008, which is after the denial letter date.

    - One denial letter, dated July 31, 2008, does not address whether criteria of the Act were applied. The denial letter states the provider was denied due to the closure of the dental network for "…all general dentists across the entire State of Georgia." Doral noted they received two applications from this provider, one on June 4, 2008 and one on July 21, 2008. It is not clear to which application request the denial letter relates. We requested additional denial

[1] Please note the confirmation of applications submitted using the GDS and GDA surveys of their membership may not account for all providers submitting applications. This could be due to several reasons, including non-members, providers who did not complete the survey, and timing of when the provider may have submitted their application.

documentation for this provider, but to date, we have not received this information from Doral.

Based on the documentation submitted by Doral, it appears that Doral appropriately denied 12 of the 14 applications that were denied, or 85.7 percent.

***Avesis***

According to records submitted by PSHP, there were 108 applications for dental participation between July 1, 2008 and February 18, 2009. Of the 108 applications reported by this CMO, 106 of 108 (98 percent) were confirmed by the GDS and GDA surveys[2]. Sixty-eight (62.9 percent) of the 108 applications were approved for participation, eleven (10.2 percent) were denied, and 29 (26.9 percent) did not have an accompanying determination. We analyzed the eleven denied applications and our findings are provided below.

- All eleven (100 percent) of the denial letters we reviewed contained instructions on how to file an administrative appeal.
- All eleven (100 percent) of the applications included screen shots of the HRSA page to illustrate whether the county in which the provider was requesting participation had a shortage of dental care health professionals.
- All eleven (100 percent) of the denied applications included a copy of a pin chart showing all Avesis providers within a radius of a certain number of miles from the provider's address. Avesis' policy for adding new locations states they will review a twenty mile radius for rural providers and a ten mile radius for urban providers to determine if the network to serve members is adequate.
- M&S identified one denied application for an urban provider in which the Avesis five mile radius pin chart seems to be in conflict with their stated policy of reviewing a ten mile radius for urban locations. The denial letter for this provider states that Avesis "…is not currently in need of providers in this area at this time."
- As noted above, M&S was not able to find any documentation in the Avesis provider policies and procedures or provider applications that supported that Avesis was checking with the provider to see if he or she was a participant in an educational loan forgiveness program.

With the exception of the providers that we contacted directly (see Table 3), based on denial documentation provided, we are not able to confirm that Avesis appropriately denied providers seeking participation as we were unable to locate, within their documentation, that all the criteria of the Act were considered in the

[2] Please note the confirmation of applications submitted using the GDS and GDA surveys of their membership may not account for all providers submitting applications. The gap in provider responses could be due to several reasons, including: non-GDS or GDA members are not included in the survey, providers may not have chosen to complete the survey, and timing issues may exist between the date the provider submitted an application and the date of the survey.

decision making process. Furthermore, there were 29 applications submitted that did not contain a decision. Although we followed-up on this missing documentation, to-date it has not been submitted.

## OBSERVATIONS AND RECOMMENDATIONS

1. The amended and restated contract between DCH and the CMOs, Credentialing section 4.8.15.3, states "The Contractor shall also make available to DCH each quarter the total number of provider applications by date that have been received, credentialed, and approved."

    - DCH may wish to consider revising the contract to require the CMOs to certify that a report is accurate and that inaccurate data or reports are subject to a penalty. Although the reporting periods for GDS and GDA differed from what was submitted by the CMOs, there is concern that all of the dental applications may not be accurately identified and included on the reports from the CMOs to DCH. There is no evidence at this point, however, that any oversight by the CMOs is intentional.
    - As a quality measure, DCH may want to consider an added requirement that the CMOs report the total number of dental provider applications received, the number of applications pending a determination, and the total number of both approved and denied applications. This information may be helpful to DCH when determining if applications are being handled in a timely manner and in identifying trends. DCH may also want to consider adding a contractual time limit for the CMOs to process a dental application.
    - DCH may wish to consider adding a requirement to the contract specifying that the CMO's application review decision must include specific documentation to support their decision to accept or decline a provider. DCH might wish to require that the CMO complete and submit a decision tool, such as a checklist, with each provider application denial in order to ensure compliance with the provisions of the Act.
    - DCH may wish to consider a requirement that appeal language be included in provider application denial letters. This requirement would help ensure that providers are receiving consistent information regarding the appeals process.
    - The contract between DCH and the CMOs could be amended to include requirements regarding network adequacy policies and procedures. While the contract currently requires network adequacy reports, the CMO-produced policies and procedures contain very limited documentation describing how the network adequacy reports are produced or what criteria is used to prepare the report.

2. We noted in Avesis' policy that they submit a monthly report to the CMO (PSHP) detailing the providers who have been denied participation. Additionally, the amended and restated contract between DCH and the CMOs requires that a quarterly Utilization Management report be produced and submitted to DCH. This report is to contain several data elements, including the number of

application denials (dental is included) and the number of denied application appeals.

- DCH may want to consider requiring the CMOs to specifically report the number of dental application appeals, application denial reason(s) and appeal outcome(s).

3. In addition to contract changes, there are a few follow-up items that DCH may wish to pursue. We are happy to continue to pursue these items on DCH's behalf, if so desired. The outstanding items are listed below:

   - Doral indicated for one denial there were two applications. While a request for additional documentation pertaining to these two applications was sent to Doral, no response has been received.
   - In regards to the Doral denial letter noted earlier in this report, DCH may wish to request additional details regarding the closing of the general dental panel by Doral in the State of Georgia.

4. We observed two potential concerns about Avesis, as stated below. While Avesis is no longer currently contracted by any CMO to administer dental benefits for Georgia Families members, DCH may want to evaluate the concerns as they relate to the other current dental vendor and any future subcontracted dental vendors.

   - We noted that the documentation we received from Avesis appears to lack dental application decision criteria specifically addressing the loan forgiveness criteria of the Act.
   - Avesis had one dental application denial in which it appears the incorrect mileage was used on the pin chart, thus an incorrect denial decision appears to have been made.